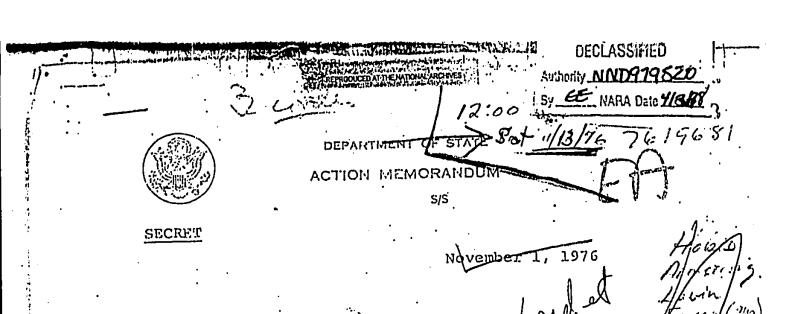
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1976/11/01



TO : The Secretary

THRU: P - Philip C. Habib

FROM: EA - Arthur W. Hummel, Jr

Sale of the Harpson Missile to the ROC

The Problem

The ROC has renewed a request for the Harpoon anti-ship missile to outfit ten destroyers and DOD. Deputy Secretary Clements has asked for your concurrence in this sale before seeking NSC approval (Tab 2). We must decide how to respond.

Background/Analysis

The ROC is concerned about the proliferation of PRC missile boats and ships, and is considering a number of counter systems, including the US Harpoon missile, the Israeli Gabriel missile, an ROC prototype of the Gabriel still under development, the French-Italian Otomat, and laser guided bombs. DOD and CIA estimate that the PRC has about 175-200 vessels equipped with 600 surface-to-surface "Styx" type cruise missiles. These missiles have 1,100 lb. warheads and a range of 25 nautical miles, which can be extended to 42 miles with additional fuel tanks. Twenty PRC missile craft are stationed at the northern end of the Taiwan Strait and another 76 are only several hours sailing time away.

The Harpoon, the ROC's first choice for a counter system, is a ship/air launched anti-ship missile scheduled for deployment in the US Navy by the spring of 1978.

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It has half the warhead of the PRC Styx missile (500 lbs.) but twice the range (60 miles), and is generally regarded as a much more capable weapon. The baseline export version proposed for the ROC would lack sophisticated electronic counter-measures equipment, would possess only a surface-to-surface capability and could not be used for delivery of nuclear weapons. The Harpoon has been approved for sale to Korea, Israel and a number of Middle East and European countries.

Clements argues that we should provide the ROC with an anti-ship missile capability qualitatively superior to the PRC Styx to avoid the adverse consequences that might stem from a severe imbalance in PRC-ROC naval forces. He believes outfitting ten ROC destroyers with the Harpoon would enhance the ROC's defensive capabilities without increasing its offensive potential. The Israeli Gabriel and the ROC prototype, in his view, would not do the job.

We have opposed the sale of the Harpoon ever since the ROC first requested it in 1974, when we recommended to the NSC that the request go unanswered. While the ROC does have a valid military requirement for some system to counter the PRC missile boats, we continue to believe that Peking would view our sale of this highly visible and technologically advanced missile -- more than a match for the Styx -- as a disturbing departure from the types of defensive systems we have allowed the ROC and consequently as a sign of U.S. insensitivity toward normalization considerations. The long lead time -- the Harpoon could not be delivered until 1980-81 at the earliest -- is also troublesome. Additionally, our reversal on the Harpoon would encourage unhelpful ROC and, if leaked, press speculation that the Administration was backtracking on China policy.

Our refusal to sell the Harpoon would not leave the ROC high and dry. It has been exploring the availability of third country systems and has already begun development of its own prototype of the improved Israeli Gabriel anti-ship missile, which has a range of 25 nautical miles and would provide protection against PRC

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missile craft. The ROC hopes to have this missile in production by the end of 1977 -- a full two years before the Harpoon would be available -- but has achieved only 40%-50% success rate in its tests to date. In the interim, the ROC hopes to mount the Israeli Gabriel on its ships. The availability of other third country systems such as the French-Italian Otomat is uncertain because of those countries' relations with the PRC.

We have prepared a letter (Tab 1) informing Clements of the Department's rejection of the ROC request for the Harpoon. The letter stresses the sale's potential for damaging our relations with the PRC and outlines our belief that the Israeli Gabriel and ROC prototype can meet the ROC's needs.

Recommendation

That we reject the ROC request for the Harpoon missile.

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